

Mitchell Fraser-Jones, 21 September 2018

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The net asset value of the Woodford Patient Capital Trust and the Woodford Equity Income Fund will today see material uplifts, as a result of developments at [Industrial Heat](#), a disruptive technology company in which both portfolios hold a position <sup>1</sup>.

Industrial Heat has built a platform of new energy technologies focused on harnessing hitherto poorly understood or neglected energy science, including cold fusion. Despite its potentially disruptive implications, scepticism has historically surrounded this branch of science. We funded Industrial Heat to engage credible world-leading institutions to rigorously assess the claims of research groups in the field.

Over the course of the last eighteen months, there have been developments within Industrial Heat's portfolio of technologies that have shown increasing promise. Hence, with the company raising capital from other investors to continue the path to commercialisation, the valuation of the company has been adjusted to reflect this progress.

Link Fund Solutions (which, as the Authorised Company Director of the LF Woodford Equity Income Fund and the appointed Alternative Investment Fund Manager of the Woodford Patient Capital Trust, has full responsibility for the unquoted security valuation process), is in receipt of details of the ongoing fundraising and has decided to increase the value of the Industrial Heat holding by 357%.

Although this is exciting and positive progress for Industrial Heat and the funds, it remains early days in the development and commercialisation of these technologies. We look forward to sharing more details with you when we can.

## Footnotes

1. The uplift will be reflected in the Woodford Patient Capital Trust's net asset value struck at close of business 20 September 2018, and the LF Woodford Equity Income Fund's net asset value struck at midday 21 September 2018.

### What are the risks?

- The value of investments and any income from them may go down as well as up, so you may get back less than you invested
- Past performance cannot be relied upon as a guide to future performance
- The ongoing charges figure is charged to capital, so the income of the funds may be higher but capital growth may be restricted or capital may be eroded
- The funds may invest in other transferable securities, money market instruments, warrants, collective investment schemes and deposits – some of these security types could increase the funds' volatility and increase the level of indirect charges to which the funds are exposed

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- The funds and trust may invest in overseas securities and be exposed to currencies other than pound sterling – as a result, exchange rate movements may cause the sterling value of these investments and the income from them, to fluctuate
- The LF Woodford Income Focus Fund will be invested in a concentrated portfolio of securities – the fund is not restricted by reference to any geographical region, sector or market capitalisation
- The LF Woodford Equity Income Fund and the Woodford Patient Capital Trust may invest in unquoted securities, which may be less liquid and more difficult to value, because they are generally not publicly traded – the lack of an open market may also make it more difficult to establish fair value
- The price of shares in the Woodford Patient Capital Trust is determined by market supply and demand, and this may be different to the net asset value of the trust. This means the price may be volatile in response to changes in demand
- Long-term outcomes are more binary – extremely attractive rewards for success but some businesses will inevitably fail to fulfil their potential and this may expose investors to the risk of capital losses
- Young businesses have a different risk profile to mature blue-chip companies – risks are much more stock-specific, which implies a lower correlation with equity markets and the wider economy – it can take years for young businesses to fulfil their potential, this investment requires patience

#### Important information

Before investing, you should read the Key Investor Information Document (KIID) for the fund – or Key Information Document (KID) for the trust – and the Prospectus which, along with our terms and conditions, can be obtained from the [downloads page](#) or from our registered office. If you have a financial adviser, you should seek their advice before investing. Woodford Investment Management Ltd is not authorised to provide investment advice.

The Woodford Patient Capital Trust currently intends to conduct its affairs so that its securities can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The securities are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

The Woodford Funds (Ireland) ICAV (the "Fund") has appointed as Swiss Representative Oligo Swiss Fund Services SA, Av. Villamont 17, 1005 Lausanne, Switzerland. The Fund's Swiss paying agent is Neue Helvetische Bank AG. All fund documentation including, Prospectus, Key Investor Information Documents, Instrument of Incorporation and financial reports may be obtained free of charge from the Swiss Representative in Lausanne. The place of performance and jurisdiction for all shares distributed in or from Switzerland is at the registered office of the Swiss Representative. Fund prices can be found at [www.fundinfo.com](http://www.fundinfo.com).

Woodford Investment Management Ltd is authorised and regulated by the Financial Conduct Authority (firm reference number 745433). Incorporated in England and Wales, company number 10118169. Registered address 9400 Garsington Road, Oxford OX4 2HN.

Woodford Patient Capital Trust plc is incorporated in England and Wales, company number 09405653. Registered as an investment company under section 833 of the Companies Act 2006. Registered address Beaufort House, 51 New North Road, Exeter, EX4 4EP.

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